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Previous references.

AP. 99-18
Serial 2, 3, 4

1918.
(Pl.)

File No. 99-18

Serial Nos. 5

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 5

Part B for March 19

SUBJECT.

Control of Cotton Cloth

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(5) From The F. A. Resident
2084 & 29:1:19.

To copy of letter no 10814 & 4.10.18 from the Govt of India re Control of Indian Cloth together with a copy of the Proceedings of the Conference held at Bombay

W D 1250—GPB—30,000—28-1-19

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G. R. S. III-1]

1918. 19

GENERAL AND REVENUE SECRETARIAT

(PP)

NOTES.

File No. 99-18

FILE HEADING.

Control of Cotton cloth

From

The First Asst Resident.

No. 811 Dated 29.1.1919. Received 30.1.1919.

Diary No. 12716 Enclos. 1 Spare Copies. — [Serial No. 5.

BRIEF ABSTRACT OF LETTERS.

Forwards a copy of letter no 10816 dated 4.10.1918 from the Govt of India, Dept of Commerce and re control of Indian cloth together with a copy of the proceedings of the Conference held at Rangoon.

NOTES AND ORDERS.

Kind reference is invited to paras 15 and 16 of previous file no PP99-18 of 1918 dealing with the subject matter put up herewith.

The enclosure to the paper under disposal will be returned as requested after it is perused by the Chief Secretary & Secy E&P.

Chief Secy for 31/1/1919 Ker

Secy Chief Secy 31/1/19

Secy (Sc #) 1/2/19

NOTES—First Sheet

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G. R. S. III-23

General and Revenue Secretariat.

P.P. File No. 99 of 1918.

Serial No. 5398

1918

SECTION

FILE No.

Lieut. Hewlett v.
number medical a letter
from Lieut. Hewlett offer
[illegible] Hewlett of the Church
Dept of [illegible] subject appea
but of- the principal Indian
Letter. Is any appointment
available. or the arrangement
made to obtain for the
benefit of the people of the
Colony the Standard Bill
[illegible]
[illegible]

(and Enclo)

CHIEF SECRETARIAT
II
POLITICAL BRANCH
24 FEB. 1919

Letter No. 10814, dated Simla, the 4th October 1918, from P.C. Tallents, Esq., I.C.S., Offg. Under Secretary to the Government of India in the Department of Commerce and Industry, to the Hon'ble the Resident in Mysore and Chief Commissioner of Coorg.

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In continuation of the letter from this Department No.10618, dated the 1st October 1918, I am directed to forward, for information, a copy of a Press Communique which is being issued by this Department, containing a summary of the proceedings of the Conference on the control of cotton cloth held at Bombay on the 18th and 19th September 1918, and to say that the Government of India do not think it desirable to publish the proceedings in extenso.

2. I am to add that though the Government of India do not propose to define the term "poorer classes," which is used in the Cotton Cloth Act, 1918, and with regard to which there was some - - discussion at the Conference, they have no objection to your laying down such a definition if you think it will be of assistance in the working of the scheme.

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"C O P Y"

REGISTRAR.

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GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

PRESS COMMUNIQUE.

Simla, the 4th October 1918.

The following summary of the proceedings of the Conference regarding the control of cotton cloth recently held at Bombay is published for general information. The following gentlemen were present at the Conference :—

Mr. F. NOYCE, I.C.S., President.	
Mr. G. WILES, I.C.S., Chairman, Cotton Contracts Committee.	
Sir VITHALDAS THACKERSEY, Mr. W. H. BRADY — Bombay Millowners Association.	Bombay.
Mr. R. H. BROOKE, Bombay Chamber of Commerce.	Bombay.
Mr. AMBALAL SARABHAI, President, Ahmedabad Millowners Association.	Bombay.
Mr. J. F. D. ENGEL, Chief Inspector of Factories.	Bombay.
Mr. PRAMJI VIRJI, Bombay Native Piece Goods Merchants' Association.	Bombay.
Mr. F. STONES.	Bombay.
Mr. J. GRAY, I.C.S.	Madras.
The Hon'ble Mr. C. A. H. TOWNSEND, I.C.S., Director of Civil Supplies.	Punjab.
Mr. J. T. DONOVAN, I.C.S., Registrar of Co-operative Societies.	Bengal.
Mr. C. W. RHODES of Messrs. Hoare Miller and Company.	Bengal.
Mr. P. W. MURPHY, I.C.S., Director of Land Records.	Bihar and Orissa.
Mr. A. K. BOSE, Assistant Controller of Munitions.	Bihar and Orissa.
Rai Bahadur RADHA KISHAN JALAN.	Bihar and Orissa.
Rai Bahadur KANAK LAL.	Assam.
Mr. C. O'MALLEY, Director of Industries.	United Provinces.
The Hon'ble Mr. T. SMITH.	United Provinces.
Mr. C. LEFTWICH, I.C.S., Director of Civil Supplies.	Central Provinces.
Mr. F. W. JOHNSTON, C.S.I., C.I.E., I.C.S.	Baluchistan.
Mr. J. H. COX, C.I.E., I.C.S., Director of Civil Supplies.	Central India.
Mr. G. C. DESAI, Director of Agriculture.	Baroda.
Mr. R. R. PAWAR.	Baroda.
Rai Bahadur Sardar M. V. KIBE, Minister of Commerce.	Indore.
Mr. PURANIK.	Indore.
Mr. PEROSHAW.	Indore.

The opinions expressed at the Conference will in due course have the careful consideration of the Government of India.

(1) *Definition of the term "poorer classes."*—It was considered that no definition of the term "poorer classes" should be laid down as the cloth standardized should be such that it would only be purchased by the poorer classes. Steps should, however, be taken to ensure that no person should buy more than a certain quantity of standard cloth at a time, the amount to be fixed by Local Governments.

(2) *Distribution of standard cloth.*—In regard to the distribution of standard cloth, the view taken by the majority of the Conference was that, in addition to the distribution of the cloth by means of Government, municipal or local board shops, the agency of licensed dealers should be utilized, if Local Governments considered it suitable. The representatives of the mill industry were, however, of opinion that licensed dealers should not form part of the scheme for the distribution of standard cloth.

(3) *Indents for standard cloth.*—It was considered that there should be a controlling authority for each Province requiring standard cloth, who would consolidate the provincial indents and forward a consolidated indent to the Controller of Cotton Cloth. The Provincial controlling authority should send the Controller a monthly indent of his requirements, but, in order to ensure as little dislocation of mill organization as possible, the output required from the mills should be fixed for three months.

(4) *Priority certificates for standard cloth.*—It was held that all standard cloth should be given priority certificates for transport by railway and that it would relieve the position in regard to the shortage of cloth if all cloth were given such certificates.

(5) *Financial arrangements in regard to standard cloth.*—It was considered a matter of great importance that Local Governments should keep the Controller of Cotton Cloth in funds in order to enable him to pay for the standard cloth required by them on receipt of the signed railway receipt from the Station Master of the despatching station. It was held that the railway freight on standard cloth should be paid at destination.

(6) *Stamping of standard cloth.*—The proposal that standard cloth should have a registered mark which might take the form of a coloured thread running from end to end was accepted. It was considered that there was no objection to mill-owners using their own mill marks and tickets for standard cloth, and that, if different qualities of cloth were standardized, the standard, *e.g.*, standard A, B or C, should be clearly stamped on the cloth.

(7) *Control of the price of yarn.*—It was considered that this question might be reserved for further consideration after some experience had been gained of the effect of the manufacture of standard cloth. The representatives of Bengal, Bihar and Orissa, Assam and the Punjab were, however, in favour of control of the price of yarn, in the case of Bengal for general reasons and in that of the other provinces in the interests of the hand loom weaving industry. The case of mills which did not spin their own yarn was raised. In view of the fact that such mills were exceptional, it was held that it might be left to the Controller to deal with them as a special case if necessary.

(8) *Control of the raw or manufactured cotton.*—

(*a*) The following resolution was passed by the Conference in regard to the *control of raw cotton*:

"This Conference recommends that the Government of India should take power at once to restrict exports of raw cotton by the introduction of a system of licensing, the degree of stringency with which such powers would be exercised to be decided as circumstances subsequently dictate. Orders should be passed on this recommendation at a very early date so that exporters should know where they stand."

(*b*) It was held that the necessity for controlling the *export of yarn* had not been established and that there was no necessity to control the export of piece-goods.

(9) *Interference with existing stocks.*—The following resolution was passed by the Conference:

"This Conference considers that stocks are being unreasonably withheld from the market, in many cases by those not accustomed to deal in cotton goods. The Conference therefore recommends that the Government of India should request Provincial Governments to take such steps, in consultation with the trade, as may be necessary to remedy this state of affairs."

Mr. Pramji Virji, representative of the Bombay Native Piece Goods Association, and Mr. P. W. Murphy, I.C.S., representative of Bihar and Orissa, dissented from the resolution.

(10) *Price of cotton to be adopted as the basis of the price for standard cloth.*—It was decided that this question should be left to the Controller and the Advisory Committee who should fix a fair and reasonable price for cotton having regard to all the circumstances and that the price of cloth should be fixed for three months at a time.

(11) *Excise duty.*—The Conference recommended that, with a view to cheapen the price of standard cloth to the consumer, the excise duty on standard cloth should be deducted or refunded in the same way as the duty on exported cloth is at present deducted or refunded.

(12) *Mills engaged on army work.*—It was held that if mills engaged on Government contracts were working on ordinary terms, there was no justification for special treatment but that if Government were receiving special terms, the mills should receive special treatment to an extent to be decided by the Controller and the Advisory Committee in each case. The only mills which appeared to require special treatment were those in Madras and Cawnpore.

(13) *Importation of looms from Lancashire.*—The following resolution was passed on this subject:—

"This Conference recommends that greater liberality be shown by the Munitions Board in sending applications for renewal of machinery and spares home to England so that greater efficiency and better running of the existing machinery should be secured in view of the special circumstances arising from the fact that the greatest output is required from every mill owing to the necessity for the production of more cotton cloth. Pressure should also be brought to bear on the Home authorities in this matter."

It was further held that priority should be granted for new looms to replace existing ones as this would considerably increase the output of cloth.

(14) *Forward contracts.*—The view held by the Conference was that if the output of only ten per cent. of the looms was required, there would be no serious interference with forward contracts: beyond that proportion, serious interference would be involved. It was held that if the effect of the law was that merchants could not cancel their contracts, but that mills could fulfil them in order of priority, after providing for the manufacture of standard cloth, then no further protection to the mills was required. If, on the other hand, the purchaser could cancel his contract owing to late delivery resulting from the manufacture of standard cloth by the mills, the situation would be serious and provision should be made to meet it. Protection for the manufacturer would, however, be required only in the case of the balance undelivered. The proposal made by Sir Vithaldas Thackersey that Government should give a definite ruling in regard to the protection of both manufacturers and dealers in the matter of forward contracts either in the Act itself or in some other way was accepted but it was considered that it would be better if the protection were definitely stated in the Act itself. Mr. Pramji Virji dissented, holding that all contracts for forward delivery should be *ipso facto* cancelled by the passing of the Act. The suggestion was put forward that, in order to reduce interference with forward contracts as far as possible, shirtings and goods which were not of necessity made to definite widths as in the case of *dhoties* and *sarees*, should be made as far as possible on looms under 36 inches or over 50 inches reed space, the looms of intermediate width being reserved for *dhoties* and *sarees*.

(15) *Relaxation of the Factory Act.*—It was considered that the differences of opinion amongst the mill owners in regard to the desirability of relaxing the Factory Act were so great that the question could not be profitably discussed by the Conference.

(16) *Allocation of orders.*—The question whether the output of standard cloth required from the mills should be based on the number of looms actually in existence in the mills or actually running was discussed and it was decided that this should be left to the Controller and the Advisory Committee.

(17) *The requirements of standard cloth* for the different Provinces were examined. The only Provinces which were in a position to give a definite statement in regard to their requirements were Bengal, Bihar and Orissa, and Assam. The Bengal representatives estimated their demand for standard cloth at 1,000 packages per month consisting of 200 packages of shirtings averaging 3,600 yards each, 500 packages of *dhoties* averaging 4,000 yards each, and 300 packages of *sarees* averaging 4,000 yards each, a total of 3,920,000 yards monthly. The Bihar and Orissa representatives placed their requirements at the same figure and the Assam representative estimated the requirements of his Province at 2,000,000 yards monthly. The majority of the remaining Provincial representatives expressed their inability to furnish a definite statement until they were in possession of samples of the cloth it was proposed to standardize and particulars of the price fixed for it. In some cases it was requested that a few bales of the standard cloth should be sent as early as possible to the local controlling authority in order that it might be ascertained from actual experience in regard to its disposal whether justification existed for indenting for it in large quantities. A sample of cloth which appeared suitable for standardization was submitted for the consideration of the Conference. This cloth, the specifications of which were 20-s warp and 20-s weft, 32 reed and 32 pick and the price of which in Bombay, if controlled, was estimated at about $5\frac{1}{2}$ annas a square yard, was considered a suitable cloth for standardization and it was held that it would probably meet all the requirements of some Provinces and a considerable proportion of those of all Provinces. The opinion was expressed that it could be manufactured by all the mills in Bombay and most of those in Ahmadabad but not by those in Cawnpore.

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